



NEBA

NEW ENGLAND BIOTECH ASSOCIATION

**Testimony of Paula Newton, Chairman,
New England Biotechnology Association
Re: Opposition to Senate Bills 1046 and 1049
Monday, March 2, 2009 - Hartford, CT**

The New England Biotech Association ("NEBA") respectfully submits the following comments in opposition to Senate Bills 1046 and 1049 (the "Legislation"). As the regional policy and public affairs voice for the biotechnology and biopharmaceutical community, NEBA represents state biotech associations, companies, academic institutions, and other organizations consisting of more than 800 entities, including over 100 in Connecticut.

We share the concerns expressed by our partners, Connecticut United for Research Excellence (CURE) and the Biotechnology Industry Organization (BIO), that the Legislation will harm Connecticut's biotechnology and life-sciences sector.

As an initial matter, NEBA supports the promotion and enhancement of transparency in the relationships between health care providers and biopharmaceutical manufacturers. We remain concerned, however, that overly broad state regulation of this area could have a profoundly negative impact not only on the health and vitality of the burgeoning biotechnology industry in Connecticut, but also on the provision of high-quality medical care to its residents.

NEBA opposes Senate Bill 1046, An Act Concerning Restricted Access to Prescription Drug Information. This legislation would serve no public policy purpose and would hurt biotech companies in Connecticut. Biotech companies rely on health information such as prescriber identifiable data in the research and development of new and innovative biotech medicines. Further, biotechnology companies appropriately use this important data to enroll and conduct clinical trials. One common misperception concerning this legislation is the issue of patient privacy. Individual patient privacy is neither at risk nor subject to disclosure under current practice. The confidentiality of patient-information is protected under federal law pursuant to the Health Insurance Portability Act of 1996 (HIPAA). Thus, NEBA respectfully requests that you reject this unneeded legislation.

NEBA opposes Senate Bill 1049, An Act Prohibiting Certain Gifts from Pharmaceutical and Medical Device Companies to Health Care Providers. This legislation creates unneeded additional state bureaucracy to regulate activities that are already subject to significant federal regulation and revised industry



standards. Biotechnology professional representatives adhere to strict industry-wide compliance standards when interacting with healthcare professionals. When a breakthrough biotechnology medicine is approved by the FDA, it is often the biotechnology company who provides physicians in Connecticut with valuable educational material in an appropriate manner. In our view, the onerous regulatory regime contemplated in Senate 1049 is wholly unnecessary and should be defeated.

The few states that have chosen to pursue arduous policies like the one provided for in Senate 1049 are realizing there are no ready cost savings, no measurable benefit to patients, and are instead realizing the negative consequences associated with passing bad policy.

For example, neighboring Massachusetts passed on overly restrictive law against innovation that has resulted in fewer clinical trials conducted in that state since the law passed. Further, major medical conferences have cancelled, or are considering cancelling, major meetings in the Bay State. This has resulted in the loss of millions in state revenues, and the potential for far more losses, from diminished medical convention related business. Connecticut should learn a valuable lesson from these short-sighted policies and reject this overly restrictive bill.

When considered as a whole, the Legislation represents an alarming trend for Connecticut. If passed, these bills would make Connecticut one of the nation's least friendly states for the biotechnology and life-sciences sector. This result would undermine the many positive steps the state has taken to attract and retain biotechnology business.

Considering job-killing legislation such as these two bills could not come at a worse time for Connecticut. Unemployment claims in the state are up by 38,546 this year - a 70.8 percent increase from the same period a year ago¹. Some of the state's most recognizable companies have laid-off thousands upon thousands of workers. In the midst of the worst economic downturn in decades, why would the General Assembly of Connecticut knowingly choose a policy path that will lead to diminished research & innovation, a more restrictive environment for life-science business, and further job loss in one of the state's most promising sectors? In our view, policy makers should instead explore ways to bolster the state's biosciences sector, which employs over 18,000 and spends more than \$6 billion in operations in the state annually.

NEBA urges you to follow on the heels of the landmark 2005 stem cell law and continue to support scientific innovation in Connecticut. Later this month, leading stem cell researchers from around the world will gather in New Haven, Connecticut for the StemConn 2009 conference. Positive events like this one happen when industry and government work together to support innovation and

¹ Source: CT Department of Labor

development. In contrast, embracing the Legislation before you today would directly contradict the many good things the state is doing to support a flourishing biotechnology and life-sciences community.

In sum, NEBA respectfully urges you and your colleagues to reject this unnecessary and overly restrictive legislation. We appreciate the opportunity to share NEBA's concerns with the Legislation and are available at your convenience to discuss further our comments, or any other matter concerning the Legislation or our industry. We look forward to working with you on policies that will continue to ensure that Connecticut and New England remains a global leader in the life sciences.

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